

**Statement of**

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**“Appalachian Ice: The Methamphetamine Epidemic in Western North Carolina”**

Chairman Souder, and distinguished Members of Congress, my name is John Emerson and I am the Assistant Special Agent in Charge of the Drug Enforcement Administration’s (DEA) Charlotte District Office in the Atlanta Field Division. On behalf of the DEA Administrator, Karen Tandy and Atlanta Field Division Special Agent in Charge, Sherri Strange, I appreciate your invitation to testify today regarding the DEA’s efforts to combat methamphetamine in North Carolina.

**Overview**

The DEA has witnessed a rapid evolution of methamphetamine in the North Carolina. The drug is not new to the Atlantic Southeast area. However, the higher levels at which the drug is now found is a new phenomenon. Law enforcement has been combating methamphetamine for well over 20 years and we have seen firsthand the devastating effects of this drug, which has spread eastward and is now impacting our communities in North Carolina and the entire Atlantic Southeast region of the country. Methamphetamine is a significant drug threat in the western North Carolina region and the DEA continues to combat this drug on multiple fronts.

The DEA aggressively targets those who traffic in and manufacture this drug, as well as those who traffic in the chemicals used to produce this poison. In North Carolina, and across the nation, we have initiated and led successful enforcement efforts focusing on methamphetamine and its precursor chemicals and have worked jointly with our federal, state and local law enforcement partners to combat this drug. The efforts of law enforcement have resulted in successful investigations which have dismantled and disrupted high-level methamphetamine trafficking organizations, as well as dramatically reducing the amount of pseudoephedrine entering our country.

Combating this drug requires a collaborative effort by all levels of law enforcement. An essential component of the DEA’s efforts against methamphetamine involves the partnerships we

have developed with state and local law enforcement across the country. In addition to our enforcement efforts, we are using the expertise of the DEA's Office of Training to provide clandestine laboratory training to thousands of our state and local partners from all the over country. The DEA also provides cleanup assistance to law enforcement agencies across the country, as they battle this drug.

### **National Methamphetamine Threat Assessment and Trends**

Methamphetamine found in the United States originates from two general sources, controlled by two distinct groups. Most of the methamphetamine found in the United States is produced by Mexico-based and California-based Mexican drug trafficking organizations (DTOs). These DTOs control "super labs" (a laboratory capable of producing 10 pounds or more of methamphetamine within a production cycle) and produce the majority of methamphetamine available throughout the United States. Current drug and lab seizure data suggests that roughly 80 percent of the methamphetamine used in the United States comes from larger labs, increasingly in Mexico.

Mexican criminal organizations control most mid-level and retail methamphetamine distribution in the Pacific, Southwest, and West Central regions of the United States, as well as much of the distribution in the Great Lakes and Southeast regions. Mexican criminal organizations trafficking both in powdered and "ice methamphetamine" are the dominant distributors within the North Carolina region. Outlaw Motorcycle Gangs (OMGs) also distribute methamphetamine throughout the country, and reporting indicates that they are particularly prevalent in many areas of the Great Lakes region, New England, and New York/New Jersey regions. Generally speaking OMGs have not been significant methamphetamine distributors in the Southeast region. However, there have been increased reports of their presence in the region.

The second source for methamphetamine in this country comes from small toxic labs (STL), which produce relatively small amounts of methamphetamine, and are not generally affiliated with major trafficking organizations. A precise breakdown is not available, but it is estimated that STLs are responsible for approximately 20 percent of the methamphetamine consumed in this country. Initially found only in the most Western states, there has been a steady increase and eastward spread of STLs in the United States. Many methamphetamine abusers quickly learn that "recipes" are easily accessible over the internet, that its ingredients are available in many over-the-counter cold medications and common household products found at retail stores and that the production of methamphetamine is a relatively simple process. These factors have helped serve as a catalyst for the spread of methamphetamine across the country.

### **Threat Assessment – North Carolina**

Methamphetamine is a significant drug threat that the DEA and other law enforcement partners face in North Carolina, as well as the entire Atlanta Field Division.<sup>1</sup> Demand, availability, and abuse of methamphetamine remain high in all areas of the Atlantic Southeast. The market for methamphetamine, both in powder and "crystal" form, in North Carolina is dominated by Mexican

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<sup>1</sup> The Atlanta Field Division covers all of Georgia, Tennessee, North Carolina, and South Carolina.

drug trafficking organizations. These organizations import it from sources in Mexico and California locations. "Crystal" methamphetamine is being trafficked in ever-larger quantities to meet a growing consumer demand and is primarily imported into the Atlantic Southeast rather than being converted within the region. The DEA has seen increasing evidence that the meth production and distribution networks are expanding throughout the region. For example, in February 2005 agents seized a "super lab" near Atlanta, capable of manufacturing 20 to 30 pounds of methamphetamine in one 24 hour cycle. This was the first "super lab" discovered in Georgia and one of only a handful discovered on the East Coast.

In North Carolina, STLs produce anywhere from a few grams to a few ounces of methamphetamine. The most commonly encountered production method for methamphetamine in the Atlanta Field Division is the Birch Reduction ("Nazi") method, while in the western portion of North Carolina the Iodine/Red Phosphorous (Red P) method is preferred. Most STLs are located in remote rural areas, but a small yet increasing incidence of labs are located in urban/suburban areas. Western North Carolina is considered a "hot spot" experiencing a surge in methamphetamine trafficking, with its close proximity to eastern Tennessee where there is high concentration of STLs. These STLs are a significant threat to the area where their numbers have been doubling over recent years.

The DEA in North Carolina purchases and seize quantities of methamphetamine ranging from ounces to multiple pounds. Traditionally, within the North Carolina area, the prices of uncut methamphetamine in powder form and "crystal" methamphetamine have been from \$8,000 - \$16,000 per pound. Purity levels of methamphetamine in North Carolina have continued to increase, with average purities of 70 percent (as of the end of the 1st quarter of FY 2006).

Methamphetamine lab-related seizures in North Carolina, as reported to the El Paso Intelligence Center for CY 2001 through CY 2005 are listed below (as of 03/21/2006). It should be noted that reporting is not mandatory, so some state and local law enforcement agencies do not report their clandestine laboratory numbers to EPIC in a timely manner, if at all.

<b>North Carolina</b>	<b>Chem/Glass/Equip</b>	<b>Dumpsites</b>	<b>Labs</b>	<b>Total</b>
<b>CY 2001</b>	<b>4</b>	<b>0</b>	<b>28</b>	<b>32</b>
<b>CY 2002</b>	<b>8</b>	<b>2</b>	<b>37</b>	<b>47</b>
<b>CY 2003</b>	<b>23</b>	<b>10</b>	<b>134</b>	<b>167</b>
<b>CY 2004</b>	<b>26</b>	<b>49</b>	<b>243</b>	<b>318</b>
<b>CY 2005</b>	<b>59</b>	<b>85</b>	<b>178</b>	<b>322</b>

### **Battling Methamphetamine – Labs and Precursor Chemicals**

As a result of our efforts and those of our law enforcement partners in the U.S. and Canada, we have seen a dramatic decline in methamphetamine “super labs” in the U.S. In 2005, 53 “super labs” were seized in the United States, the majority of which were in California. This is a dramatic decrease from the 246 “super labs” seized in 2001. This decrease in “super labs” is largely a result of DEA’s enforcement successes against suppliers of bulk shipments of precursor chemicals, notably ephedrine and pseudoephedrine. Law enforcement has also seen a huge reduction in the amount of pseudoephedrine, ephedrine, and other precursor chemicals seized at the Canadian border. But with the drop in “super lab” activity in the United States, however, we have also seen an increase of “super lab” activity in Mexico.

In addition, the DEA has been working to ensure that only legitimate businesses with adequate chemical controls are licensed to handle bulk pseudoephedrine and ephedrine in the United States. In the past seven years, more than 2,000 chemical registrants have been denied, surrendered, or withdrawn their registrations or applications as a result of DEA investigations. Between 2001 and 2004, DEA Diversion Investigators physically inspected more than half of the 3,000 chemical registrants at their places of business. We investigated the adequacy of their security safeguards to prevent the diversion of chemicals to the illicit market, and audited their recordkeeping to ensure compliance with federal regulations.

The DEA is also working with our global partners to target international

methamphetamine traffickers and to increase chemical control efforts abroad. The DEA has worked hand in hand with our foreign law enforcement counterparts and has forged agreements to pre-screen pseudoephedrine shipments to ensure that they are being shipped to legitimate companies for legitimate purposes. An example of our efforts in this area is an operation worked with our counterparts from Hong Kong, Mexico and Panama, which prevented approximately 68 million pseudoephedrine tablets from reaching methamphetamine traffickers. This pseudoephedrine could have produced more than two metric tons of methamphetamine.

In addition, DEA recently coordinated meetings in Hong Kong and participated in the 49<sup>th</sup> annual Conference on Narcotic Drugs in Vienna, Austria. At both of these meetings, DEA discussed how best to share information with our law enforcement counterparts for countries that produce or are affected by the diversion of pseudoephedrine. The meetings were productive, providing a forum for attendees to present their different perspectives and develop initiatives toward curbing the diversion of precursor chemicals and international methamphetamine traffickers. The Vienna meeting, in particular, resulted in an international agreement to expand the sharing of information about exports of precursor chemicals, particular pseudoephedrine.

### **DEA's Efforts in the Atlanta Field Division**

The DEA has offices located in North Carolina in Charlotte, Greensboro, Raleigh, and Wilmington, and also has 2 agents and 4 task force officers assigned to a Post of Duty in Asheville. These offices are part of the Atlanta Field Division, which includes all DEA offices located in the states of Georgia, South Carolina, and Tennessee.

The DEA's enforcement efforts in North Carolina are led by DEA Special Agents and Task Force Officers from state and local agencies, who are assigned to DEA offices. The Task Force Officers (TFO) are deputized by the DEA and have the same authority as DEA Special Agents. The Atlanta Field Division has TFOs in all our offices throughout North Carolina, and they work alongside our Agents, Diversion Investigators and Intelligence Research Specialists. Working in a task force setting brings together the expertise of the individual investigators and agencies and serves as a force multiplier, by which law enforcement can better attack the drug threats facing North Carolina.

The DEA focuses its overall enforcement operations on the large regional, national and international drug trafficking organizations responsible for the majority of the illicit drug supply in the United States. Within the Atlanta Field Division, we implement the same approach by focusing our investigative resources and efforts on the largest trafficking organizations operating within the respective areas of responsibility of our offices. The enforcement efforts our offices in North Carolina have resulted in increased methamphetamine-related arrests, which included investigations conducted under the Organized Crime Drug Enforcement Task Force (OCDETF) program and the Priority Target Organization (PTO) investigations program. Working closely with our local law enforcement counterparts we have combined our efforts not only investigating the methamphetamine related criminal activity, but by actively conducting public awareness forums with local citizen groups.

Several recent examples of these efforts in targeting methamphetamine trafficking

organizations and precursor chemical suppliers operating in North Carolina are highlighted below:

- **North Carolina Methamphetamine Offenders Sentenced to 40 Years:** In early February 2006, the DEA Charlotte District Office along with other federal, state and local law enforcement officials announced the sentencing of 6 individuals to more than 40 years in federal prison for methamphetamine related charges. The charges stem from 4 separate joint conspiracy investigations spanning from March to December 2004. The offenders carried out their methamphetamine conspiracies in part, in Ashe, Burke, Caldwell, Catawba, McDowell, Watauga, and Wilkes Counties.
- **Rutherford County Methamphetamine Lab Seizures and Indictments:** On February 15, 2006, the DEA with other state and local law enforcement officials arrested 11 individuals in Rutherford County, North Carolina on methamphetamine related conspiracy charges. During the investigation 14 clandestine labs were seized, with 64 pounds of methamphetamine allegedly manufactured by the group. Nine of the eleven individuals had prior methamphetamine related arrests. Additional charges for endangering a minor were also brought against 2 of the suspects.
- **Arrest for Selling Bulk Quantities of Red Phosphorous Matches:** In early September 2005, in two separate incidents a retail store clerk and a store manager were arrested in Rutherford County, North Carolina for selling bulk quantities matches containing red phosphorous on their striker plates to methamphetamine “cooks” in the region. This was an effort by DEA and local law enforcement officials to limit the availability of chemicals to “lab cooks” in the area.

### **DEA’s Clandestine Laboratory Training**

In response to the spread of labs across the country, more and more state and local law enforcement officers require training to investigate and safely dismantle these labs. Since 1998, the DEA has offered a robust training program for our state and local partners. The DEA, through our Office of Training, provides basic and advanced clandestine laboratory safety training for state and local law enforcement officers and Special Agents at the DEA Clandestine Laboratory Training Facility. Instruction includes the Basic Clandestine Laboratory Certification School, the Advanced Site Safety School, and the Clandestine Laboratory Tactical School. Each course exceeds Occupational Safety and Health Administration (OSHA)-mandated minimum safety requirements and is provided at no cost to qualified state and local law enforcement officers. As part of this training, approximately \$2,200 worth of personal protective equipment is issued to each student, allowing them to safely investigate these clandestine labs and work in this hazardous environment.

Since 1998, the DEA has trained more than 12,000 state and local law enforcement personnel (plus 1,900 DEA employees), to conduct investigations and dismantle seized methamphetamine labs and protect the public from methamphetamine lab toxic waste. From FY 2002 through FY 2005, the DEA provided clandestine laboratory training to more than 154 officers from North Carolina. In addition, the Office of Training also provides clandestine

laboratory awareness and “train the trainer” programs that can be tailored for a specific agency’s needs, with classes ranging in length from one to eight hours. During FY 2003 DEA’s Office of Training provided this type of “awareness training” to 225 attendees who attended the North Carolina Methamphetamine Summit.

### **Hazardous Waste Cleanup**

When a federal, state or local agency seizes a clandestine methamphetamine laboratory, Environmental Protection Agency regulations require that the agency ensure that all hazardous waste materials are safely removed from the site. In 1990, the DEA established a Hazardous Waste Cleanup Program to address environmental concerns from the seizure of clandestine drug laboratories. This program promotes the safety of law enforcement personnel and the public by using qualified companies with specialized training and equipment to remove hazardous waste. Private contractors provide hazardous waste removal and disposal services to the DEA, as well as to state and local law enforcement agencies.

The DEA's hazardous waste program, with the assistance of grants to state and local law enforcement, supports and funds the cleanup of a majority of the laboratories seized in the United States. In FY 2005, the cost of administering these cleanups was approximately \$17.7 million

In North Carolina, from FY 2004 through FY 2005, the DEA administered 552 lab cleanups, at a total cost of \$1,125,259.

### **Conclusion**

The DEA, both nationally and in the State of North Carolina, is keenly aware that we must continue our fight against methamphetamine and stop the spread of this drug. Law enforcement has experienced some success in this fight, as is evidenced by the significant decrease in the number of “super labs” seized in this country and the huge reduction in pseudoephedrine seized at the Canadian border. To continue to combat this epidemic, we are fighting methamphetamine on multiple fronts. Our enforcement efforts are focused on both the large-scale methamphetamine trafficking organizations distributing this drug, as well as those who are involved in providing the precursor chemicals necessary to manufacture this poison.

Our DEA offices in North Carolina have been combating methamphetamine for many years and continue to work closely with our other federal, state and local law partners to combat the threat presented by this drug. The outstanding relationships DEA has with these law enforcement agencies has enabled us to more effectively and safely investigate and dismantle these labs, our Office of Training has provided clandestine laboratory training to many of our state and local partners. Additionally, through our hazardous waste program, since FY 2004, the DEA has administered nearly 552 laboratory cleanups in North Carolina.

Thank you for your recognition of this important issue and the opportunity to testify here today. I will be happy to answer any questions you may have.